



Department of Administration  
Purchasing Division

Tom Barrett  
Mayor

Sharon Robinson  
Director of Administration

Rhonda U. Kelsey  
City Purchasing Director

## MEMORANDUM

**DATE:** April 5<sup>th</sup>, 2016

**TO:** Nik Kovac, Chairman of the Finance & Personnel Committee

**FROM:** Rhonda Kelsey, City Purchasing Director

**SUBJECT:** Item #2 of the March 23, 2016 meeting, File 151661, "Communication from the Department of Administration informing the Finance & Personnel Committee of waivers granted for certain single or sole source contracts or contract amendments"

This memorandum is in response to your request for additional information regarding the request of the Milwaukee Water Works (MWW) department to amend contract #E11889 with Itron, Inc. As communicated at the March 23<sup>rd</sup>, 2016 committee meeting, the purpose of this contract is to provide annual maintenance support of the MWW Automated Water Meter Reading (AMR) System which was manufactured by Itron, Inc. to obtain water meter readings for billing and other customer service activities.

The computer software and related hardware is proprietary to Itron, Inc. and the services provided by the contractor include:

- Hardware support and repair for two mobile computers and radio receivers that collect the readings from the water meters for billing.
- Hardware support and repair for 57 handheld meter-reading devices.
- Maintenance and support of the software module that supports the reading of the water meters, related hardware, and the AMR system.

In addition, the MWW AMR system is made up of the following components:

- The actual water meters that measures the water flow.
- A register ("dial") that counts the measurement of the water and displays it.
- A transmitter that detects the measurement and electronically sends the reading to a computer in a van as it drives by.
- The actual AMR system whereby data is transferred from the computer.
- Hand-held devices that are used by technicians to collect and store meter readings into the MWW AMR system.

It is important to point out that the water meters and dials are purchased from a local company, Badger Meter, and the transmitters, hand-held devices, and associated software are purchased from Itron, Inc. The two companies have worked together to jointly provide the entire system components to MWW since they were selected through a request for proposal (RFP) process in the late 1990's around the time the MWW transitioned to utilizing a more efficient automated water meter reading process . MWW currently has over 158,000 Badger water meters equipped with the Itron software modules and AMR system.

Upon further investigation with the Milwaukee Water Council and based on general market research, Badger Meter is the only local company that could build and provide an AMR system for MWW. Based on rough estimates known to date, the total investment necessary to replace the City's current system is projected to be at minimum, \$25.0 million dollars.

cc: Finance & Personnel Committee Members  
Carrie Lewis, MWW Supertintendent